Johnson & Johnson
Safe Harbor Statement

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from Johnson & Johnson's expectations and projections.

Risks and uncertainties include general industry conditions and competition; economic conditions, such as interest rate and currency exchange rate fluctuations; technological advances and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approvals; domestic and foreign health care reforms and governmental laws and regulations; and trends toward health care cost containment.

A further list and description of these risks, uncertainties and other factors can be found in Exhibit 99 of the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2007. Copies of this Form 10-K, as well as subsequent filings, are available online at www.sec.gov, www.jnj.com or on request from Johnson & Johnson. Johnson & Johnson does not undertake to update any forward-looking statements as a result of new information or future events or developments.
Content Overview

• Operating Model
• Historical Performance
• Segment Overview
• Second Quarter 2008 Results
• Summary
STRATEGIC PRINCIPLES
Operating Model

• Broadly Based in Human Health Care
• Managed for the Long Term
• Decentralized Management Approach
• People and Values
Broadly Based - World’s Most Comprehensive Health Care Company

- 2007 Sales of $61.1 Billion
- Over 250 operating companies worldwide
- Leadership positions in ethical and OTC pharmaceuticals, medical/surgical products, diagnostics and a variety of consumer products
Broadly Based – A Strategic Advantage

2007 Segment Operating Profit*

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumer</th>
<th>Pharm</th>
<th>MD&amp;D</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$2.0</td>
<td>$6.9</td>
<td></td>
<td>$15.9B</td>
</tr>
<tr>
<td>2007</td>
<td>$2.3</td>
<td>$7.6</td>
<td></td>
<td>$15.9B</td>
</tr>
</tbody>
</table>

% to Sales

2006 25.7%
2007 26.0%

*Proforma including net impact of PCH; Refer to 3.2.07 8K filing for 2006 PCH impact to operating profit; Excludes IPR&D and other special items
Broadly Based – A Strategic Advantage

- Rapidly capitalize on attractive opportunities
- Knowledge and capability transfer
- Development of converging technologies
- Accelerating growth through geographic breadth
- Leveraging scale
Operating Model

• Broadly Based in Human Health Care
• Managed for the Long Term
• Decentralized Management Approach
• People and Values
Leadership in Major Markets

Johnson & Johnson
#1 or #2*

- Anti-Anemia
- Antipsychotics
- Anti-TNF
- Hormonal Contraceptives
- Quinolone Anti-Infective
- Coronary Stents
- Minimally Invasive Surgery
- Orthopaedics
- Sutures

- Lo-Cal Sweeteners
- Blood Glucose Monitoring
- Blood Screening & Typing
- Electrophysiology diagnostics and catheters
- Disposable Contact Lenses
- OTC Pharmaceuticals
- Sanitary Protection
- Wound Care
- Baby & Kids Care

*As of Dec 2007
Growth Strategies

• **Organic growth**
  – Strong internal R&D capability
  – Nurture new businesses; Prune where appropriate

• **Strategic partnering and licensing**

• **Selective acquisitions**
  – Enhance existing business
  – New platform for growth
The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 1997-2005 reported financial statements have been restated accordingly.
Partner of Choice

- Over 100 new third party relationships annually
- In house venture capital (JJDC)
  - Over $475 million invested as of 2007 in a broad array of companies
- Focus on early stage product development
Mergers & Acquisitions – Recent Examples

Strategic moves to enhance our growth rate and create long-term value for our shareholders

Typically modest in size: over 60 in the last decade

- **Åmic (6/08)** - a privately held Swedish developer of in vitro diagnostic (IVD) technologies for use in Point-of-Care (POC) and near-patient settings

- **Disc-O-Tech Medical Technologies, Ltd. (12/07)** - Acquisition of certain assets, including intellectual property rights, related to the treatment of vertebral compression fractures from Disco-o-Tech Medical Technologies, a privately held company, and its subsidiary

- **Ensure Medical, Inc. (7/06)** - Acquisition of Ensure Medical, a privately held company will provide Cordis with a development stage femoral artery closure device (ACD) and related IP and know-how

- **ColBar LifeScience Ltd. (7/06)** - Acquisition of ColBar LifeScience, an Israeli venture-backed, privately held medical device company with expertise in collagen-based products
Mergers & Acquisitions – Recent Examples

• **Vascular Control Systems (5/06)** - Acquired a venture funded privately held company that developed technology that will be used for the treatment of fibroids and dysfunctional uterine bleeding.

• **Groupe Vendome SA (5/06)** - Johnson & Johnson Consumer France SAS acquired Groupe Vendome, a privately held French marketer of adult and baby skin care products.

• **Future Medical Systems Group NV (FMS) (3/06)** - The acquisition of FMS, will allow DePuy Mitek to enter the fluid management and shaver markets and increase DePuy Mitek’s product offerings in the arthroscopic surgical market.

• **Animas Corporation (2/06)** - Acquisition of Animas Corporation, an insulin delivery company, affords LifeScan, Inc. immediate entry into the fast-growing insulin delivery pump market.

• **Hand Innovations, LLC (1/06)** - DePuy acquired Hand Innovations LLC, a developer and marketer of upper extremity trauma products. The acquisition will allow DePuy to establish a presence in the treatment of hand and wrist fractures.
Mergers & Acquisitions
Occasionally Substantial

- **Conor Medsystems, Inc. (2/07 - $1.4B)** - Cardiovascular device company with unique controlled drug delivery technology
- **Pfizer Consumer Healthcare (12/06 - $16.6B)** - Global business of personal care and over-the-counter (OTC) products
- **Scios Inc. (4/03 - $2.4B)** – A biopharmaceutical company with a marketed product (NATRECOR®) for cardiovascular disease and research projects focused on auto-immune diseases
- **ALZA Corporation (6/01 - $12.3B)** - Research-based pharmaceutical company with leading drug delivery technologies
- **Centocor, Inc. (10/99 - $4.9B)** - Leader in monoclonal antibody technology, acute vascular care and immunology products
- **DePuy, Inc. (11/98 - $3.7B)** - Combined with existing orthopaedics business established Johnson & Johnson as the leader in third largest medical device category
Operating Model

• Broadly Based in Human Health Care
• Managed for the Long Term
• Decentralized Management Approach
• People and Values
Decentralized Management Approach

• Most effective management structure for our broadly based business

• Fosters engagement
  – Sense of ownership
  – Entrepreneurship
  – Collaboration

• Enables customer and patient-focused decision making
Operating Model

• Broadly Based in Human Health Care
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• People and Values
Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens — support good works and charities and bear our fair share of taxes. We must encourage civic improvement and better health education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities acquired and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

The Four Tenets

- Customers
- Employees
- Community
- Stockholders
HISTORICAL PERFORMANCE
Worldwide Net Trade Sales
2007 Sales By Geographic Area

Europe $15.7B
25%

W. Hemisphere $4.7B
8%

Asia-Pacific, Africa $8.3B
14%

U.S. $32.4B
53%
2007 Sales by Segment

Total Sales - $61.1B

- MD&D
  - 35% ($21.7B) ↑3.9% (1)
- Pharmaceutical
  - 41% ($24.9B) ↑4.3% (1)
- Consumer (2)
  - 24% ($14.5B) ↑44.2% (1)

(1) Operational Growth
(2) Proforma growth including the net impact of PCH is 4.6%
2007 - Cash Flow

Operating Cash Flow $15.2B
Free Cash Flow* $12.3B
Net Cash/(Debt) Position ($0.2)B

One of Only 4 U.S. Industrial Companies With Triple A Credit Rating

*Non-GAAP financial measure: defined as operating cash flow less capital spending
### Johnson & Johnson

75 Consecutive years of Sales increases  
24 Consecutive years of Earnings increases\(^{(1)}\)  
46 Consecutive years of Dividend increases\(^{(2)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Reported Sales Growth</th>
<th>Operational Sales Growth</th>
<th>Adjusted Net Earnings Growth(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>+10.4</td>
<td>+10.8%</td>
<td>+10.1%</td>
</tr>
<tr>
<td>50</td>
<td>+11.1</td>
<td>+11.6</td>
<td>+14.0</td>
</tr>
<tr>
<td>20</td>
<td>+10.7</td>
<td>+10.8</td>
<td>+14.3</td>
</tr>
<tr>
<td>10</td>
<td>+10.5</td>
<td>+10.3</td>
<td>+13.7</td>
</tr>
<tr>
<td>5</td>
<td>+11.0</td>
<td>+8.6</td>
<td>+13.3</td>
</tr>
<tr>
<td>1</td>
<td>+14.6</td>
<td>+11.5</td>
<td>+8.6</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Non GAAP. Excludes In-process R&D, and other special items.
Through 12/31/07

The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 1995-2005 reported financial statements have been restated accordingly.

\(^{(2)}\) Includes April 2008 dividend increase
### Total Shareholder Returns*

Through 12/31/07

<table>
<thead>
<tr>
<th>Years</th>
<th>1</th>
<th>3</th>
<th>5</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Johnson &amp; Johnson</strong></td>
<td>3.5%</td>
<td>4.0%</td>
<td>6.6%</td>
<td>9.1%</td>
</tr>
<tr>
<td><strong>S&amp;P 500</strong></td>
<td>5.5%</td>
<td>8.5%</td>
<td>12.8%</td>
<td>5.9%</td>
</tr>
<tr>
<td><strong>S&amp;P Pharmaceutical</strong></td>
<td>4.6%</td>
<td>5.4%</td>
<td>3.4%</td>
<td>3.7%</td>
</tr>
<tr>
<td><strong>S&amp;P H/C Equipment</strong></td>
<td>5.1%</td>
<td>3.1%</td>
<td>10.2%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

* Assumes that all dividends are reinvested
The company has adopted SFAS No. 123(R) Shared Based Payment, applying the modified retrospective transition method. 1997-2005 reported financial statements have been restated accordingly.
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SEGMENT OVERVIEW
Consumer Segment Overview

- Worldwide annual sales in 2007 of $14.5 billion
- Principal products in:
  - Over-the-Counter Pharmaceuticals and Nutritionals
  - Skin Care
  - Baby & Kids Care
  - Wound Care
  - Oral Care
  - Women’s Health
- Launched more than 600 new products and line extensions
- Integration of Pfizer Consumer Healthcare (PCH) remains on track
Consumer Segment Sales –
Major Franchise & Operational Growth Rates

2007 Sales: $14.5 Billion          2007 Ops Growth Rate: 44.2%

$ U.S. Billions

- McNeil OTC & Nutritionals: $5.1 billion (+85%)
- Skin & Hair Care: $3.1 billion (+12%)
- Oral Care: $1.5 billion (>100%)
- Baby & Kids: $2.0 billion (+8%)
- All Other: $1.8 billion (+3%)
- Women's Health: $1.0 billion (+71%)

2007 Sales:

- Women’s Health: $14.5 billion
- All Other: $1.8 billion
- Baby & Kids: $2.0 billion
- Skin & Hair Care: $3.1 billion
- Oral Care: $1.5 billion
- McNeil OTC & Nutritionals: $5.1 billion

2007 Ops Growth Rate: 44.2%
Consumer Major Franchise Sales & Proforma Operational Growth Rates

2007 Sales: $14.5 Billion
2007 Ops Growth Rate: 4.6%*

$ U.S. Billions

- **Women's Health**: $2.0 billion, +6%
- **Baby & Kids**: $2.0 billion, +6%
- **Skin & Hair Care**: $3.1 billion, +6%
- **McNeil OTC & Nutritionals**: $5.1 billion, +4%
- **Oral Care**: $1.5 billion, +5%
- **All Other**: $1.8 billion, 2%

* Proforma operational growth including the net impact of PCH
Medical Devices & Diagnostics
Segment Overview

- Worldwide annual sales in 2007 of $21.7 billion
- Largest medical device company in the world
- Global presence in medical, surgical and diagnostic categories
- 7 large franchises
- 80% of sales coming from #1 or #2 market position
MD&D Major Franchise Sales & Operational Growth Rates

2007 Sales: $21.7 Billion
2007 Ops Growth Rate: 3.9%

$ U.S. Billions

- **LifeScan**: $2.4 Billion (+11%)
- **Vision Care**: $2.2 Billion (+16%)
- **OCD**: $1.7 Billion (+7%)
- **Cordis**: $3.4 Billion (+18%)
- **Ethicon**: $3.6 Billion (+7%)
- **DePuy**: $4.6 Billion (+8%)
- **EES**: $3.8 Billion (+10%)
MD&D – Major Approvals & Launches

- REALIZE Adjustable Gastric Band
- ANIMAS 2020
- GENESEARCH
Pharmaceutical Segment
Overview

- Worldwide annual sales in 2007 of $24.9 billion
- Over 100 drugs marketed in approximately 125 countries
- Nine products with revenues over $1 billion
- Six more products with revenues over $200 million
- Robust R&D pipeline
- Key licensing & strategic partnerships
Pharmaceuticals Segment

- Leading in Research capabilities
  - Biologics
  - Small molecules
  - Drug delivery, form & formulations

- World-class global operations

- Outcomes based development

- Innovative technologies
### 2007 Sales: $24.9 Billion

<table>
<thead>
<tr>
<th>Product</th>
<th>Sales (U.S. Billions)</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hormonal Contraceptives</td>
<td>$1.0 (9%)</td>
<td></td>
</tr>
<tr>
<td>AcipHex/Pariet</td>
<td>$0.9 (11%)</td>
<td></td>
</tr>
<tr>
<td>Duragesic</td>
<td>$1.4 (14%)</td>
<td>+5%</td>
</tr>
<tr>
<td>Anti-Infectives</td>
<td>$1.2 (14%)</td>
<td>+8%</td>
</tr>
<tr>
<td>Topamax</td>
<td>$1.6 (14%)</td>
<td>+5%</td>
</tr>
<tr>
<td>Remicade</td>
<td>$2.5 (19%)</td>
<td>+10%</td>
</tr>
<tr>
<td>Eprex/Procrit</td>
<td>$2.9 (12%)</td>
<td>+19%</td>
</tr>
<tr>
<td>Anti-Psychotics</td>
<td>$3.3 (12%)</td>
<td>+10%</td>
</tr>
<tr>
<td>Other</td>
<td>$5.4 (7%)</td>
<td>+7%</td>
</tr>
</tbody>
</table>

**Total**: $24.9 Billion

**2007 Ops Growth Rate**: 4.3%
Recent Pharmaceutical Approvals

- CONCERTA™ - treatment of Attention Deficit Hyperactivity Disorder in adults ages 18 to 65.
- INTELENCE™ - treatment of human immunodeficiency virus type 1 (HIV-1) infection in antiretroviral treatment-experienced adult patients (1/08 US)
- DORIBAX™ (doripenem) - treatment for complicated intra-abdominal and complicated urinary tract infections (US 10/07)
- REMICADE® - treatment of Psoriatic Arthritis-structural damage (US 8/06) (EU 11/07); Ulcerative colitis – colectomy avoidance (4/08)
- DOXIL® in combination with VELCADE® for Injection - Multiple Myeloma (US 5/07) (EU 12/07)
- RISPERDAL® – Pediatric Exclusivity (US 2/07), Pediatric indication (US 8/07)
- LEVAQUIN® Tabs and IV – Pediatric Exclusivity (US 3/07), Acute Pyelonephritis (US 9/07)
- INVEGA™ (paliperidone) Extended-Release Tablets – a once-daily oral medication for the treatment of schizophrenia (12/06 US) (6/07 EU)
## 2Q 2008 Highlights

<table>
<thead>
<tr>
<th>Growth %</th>
<th>Total</th>
<th>Operations</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Worldwide</td>
<td>8.7%</td>
<td>3.1%</td>
<td>5.6%</td>
</tr>
<tr>
<td>- U.S.</td>
<td>2.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- International</td>
<td>16.2%</td>
<td>4.3%</td>
<td>11.9%</td>
</tr>
<tr>
<td><strong>Net Earnings</strong></td>
<td>8.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>11.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted Net Earnings</strong>(1)</td>
<td>9.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EPS</strong>(1)</td>
<td>12.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Non GAAP. Excludes special items related to IPR&D charges. Please see Appendix A for reconciliation.
# 2Q 2008 Sales Growth by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Total</th>
<th>Operations</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer</td>
<td>13.2%</td>
<td>6.8%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Med Device &amp; Diagnostics</td>
<td>12.1%</td>
<td>5.7%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>3.1%</td>
<td>(1.3)%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Total Company</td>
<td>8.7%</td>
<td>3.1%</td>
<td>5.6%</td>
</tr>
</tbody>
</table>
2Q 2008 Consumer Sales (+6.8%)

Growth Drivers:

- **OTC/Nutritionals (+11%)**
  - Launch of Zyrtec OTC in the US; adult analgesics and SPLENDA sugar substitute
- **Oral Care (+10%)**
  - LISTERINE product line
- **Baby Care (+9%)**
  - Wipes, Haircare, Powder and Oil and Babycenter.com
- **Skin Care (+5%)**
  - NEUTROGENA, AVEENO, AND CLEAN & CLEAR, product lines

All growth %’s noted are operational growth
2Q 2008 Medical Devices & Diagnostics Sales (+5.7%)

Growth Drivers

• Ethicon Endo Surgery (+10%)
  – Endocutters, HARMONIC SCALPEL®, Advanced Sterilization Products

• DePuy (+9%)
  – Hip reconstruction products and Mitek’s sports medicine products

• Vision Care (+8%)
  – ACUVUE® OASYS™ with HYDRACLEAR™ PLUS; 1-DAY ACUVUE® Moist™; and ACUVUE® ADVANCE™ for ASTIGMATISM

All growth %’s noted are operational growth
2Q 2008 Medical Devices & Diagnostics Sales (5.7%)

Growth Drivers

- **Diabetes Care (+7%)**
  - ONETOUCH® Ultra product line and Animas insulin pump products

- **Ortho Clinical Diagnostics (+7%)**
  - Immunodiagnostics products

- **Ethicon (+6%)**
  - Sutures, hemostasis and mesh products

All growth %’s noted are operational growth
## 2Q 2008 Pharmaceutical Sales (-1.3%)

### Key Products

<table>
<thead>
<tr>
<th>Product</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>VELCADE</td>
<td>+47%</td>
</tr>
<tr>
<td>TOPAMAX®</td>
<td>+15%</td>
</tr>
<tr>
<td>RISPERDAL® CONSTA®</td>
<td>+14%</td>
</tr>
<tr>
<td>CONCERTA®</td>
<td>+6%</td>
</tr>
<tr>
<td>REMICADE®</td>
<td>+2%</td>
</tr>
<tr>
<td>LEVAQUIN®/FLOXIN®</td>
<td>-4%</td>
</tr>
<tr>
<td>ACIPHEX®/PARIET®</td>
<td>-9%</td>
</tr>
<tr>
<td>DURAGESIC®</td>
<td>-14%</td>
</tr>
<tr>
<td>EPREX®/PROCRIT®</td>
<td>-19%</td>
</tr>
<tr>
<td>RISPERDAL®</td>
<td>-19%</td>
</tr>
</tbody>
</table>

All growth %’s noted are operational growth.
Johnson & Johnson: The Most Broadly Based Health Care Company

- Exceptional track record of superior growth over the long term
- Excellent financial strength
- Innovative products
- Robust pharmaceutical R&D pipeline
- Largest and most globally diverse medical devices and diagnostics company
- Premier consumer health care company
### Appendix A – Reconciliation of Non-GAAP Measures: Q2’08 vs. Q2’07

<table>
<thead>
<tr>
<th></th>
<th>Second Quarter</th>
<th>% Incr. / Decr.</th>
<th>June YTD</th>
<th>% Incr. / Decr.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Earnings - as reported</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>In-process research &amp; development (IPR&amp;D)</strong></td>
<td></td>
<td></td>
<td>40</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Earnings - as adjusted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Diluted Net earnings per share - as reported</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>In-process research &amp; development (IPR&amp;D)</strong></td>
<td></td>
<td></td>
<td>0.01</td>
<td>-</td>
</tr>
<tr>
<td><strong>Diluted Net earnings per share - as adjusted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Company believes investors gain additional perspective of underlying business trends and results by providing a measure of net earnings and diluted net earnings per share that excludes IPR&D in order to evaluate ongoing business operations.
Johnson & Johnson